

SENATE BILL NO. 637

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHROER.

2455S.01H

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 135, RSMo, by adding thereto one new section relating to a tax credit for hiring interns and apprentices.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 135, RSMo, is amended by adding thereto
2 one new section, to be known as section 135.457, to read as
3 follows:

135.457. 1. This section shall be known and may be
2 cited as the "Intern and Apprentice Recruitment Act".

3 2. As used in this section, the following terms mean:

4 (1) "Apprentice", an individual registered and
5 participating in a qualified apprenticeship program in
6 Missouri who has completed at least one year in such
7 qualified apprenticeship program;

8 (2) "Intern": an individual who:

9 (a) Is an undergraduate student enrolled in classes,
10 full time or part time, at a private or public college or
11 university located in Missouri and has completed a minimum
12 of thirty credit hours, verified by a copy of an official
13 transcript;

14 (b) Graduated from a private or public college or
15 university located in Missouri within the previous twelve
16 months, verified by a copy of an official transcript; or

17 (c) Is currently enrolled in classes, full time or
18 part time, in a graduate-level program at a private or

19 public college or university located in Missouri, verified
20 by a copy of an official transcript;

21 (3) "Qualified apprenticeship program", an approved
22 apprenticeship program, as defined under 29 CFR Part 29 and
23 29 U.S.C. Section 50, certified by the United States
24 Department of Labor, in partnership with the Missouri
25 department of higher education and workforce development,
26 and conducted in Missouri;

27 (4) "Tax credit", a credit against the tax otherwise
28 due under chapter 143, excluding withholding tax imposed
29 under sections 143.191 to 143.265;

30 (5) "Taxpayer", any individual, firm, partner in a
31 firm, corporation, partnership, shareholder in an S
32 corporation, or member of a limited liability company
33 subject to the state income tax imposed under chapter 143,
34 147, 148, or 153, excluding the withholding tax imposed
35 under sections 143.191 to 143.265.

36 3. For all tax years beginning on or after January 1,
37 2024, a taxpayer shall be allowed to claim a tax credit
38 against the taxpayer's state tax liability in an amount
39 equal to one thousand five hundred dollars for each intern
40 or apprentice hired at a pay rate equal to or greater than
41 minimum wage, provided that the following criteria are met:

42 (1) The total number of interns or apprentices
43 employed for the tax year that the credit is claimed exceeds
44 the average number of interns or apprentices employed by the
45 taxpayer over the previous three years;

46 (2) Interns shall work a minimum of sixty hours per
47 month for two consecutive months during the tax year for
48 which the credit is claimed and a copy of each intern's
49 official transcript is submitted with the claim for such tax
50 credit; and

51 (3) Apprentices shall complete a minimum of one
52 hundred forty-four hours of work in a calendar year and a
53 copy of the qualified apprenticeship program certification
54 is submitted with the claim for such tax credit.

55 4. The total amount of tax credits claimed by a
56 taxpayer under this section shall not exceed nine thousand
57 dollars in any given tax year.

58 5. The cumulative amount of tax credits allowed to all
59 taxpayers under this section shall not exceed one million
60 dollars per tax year. If the amount of tax credits claimed
61 in a tax year under this section exceeds one million
62 dollars, priority shall be given to taxpayers that have been
63 in business for less than five years, with the remaining tax
64 credits to be distributed based on the order in which they
65 are claimed.

66 6. Tax credits issued under the provisions of this
67 section shall not be refundable. No tax credit claimed
68 under this section shall be carried forward to any
69 subsequent tax year.

70 7. No tax credit claimed under this section shall be
71 assigned, transferred, sold, or otherwise conveyed.

72 8. The application for the tax credits under this
73 section shall be made to the department of economic
74 development and shall include information on participation
75 in the qualified apprenticeship program or a copy of the
76 official transcript for the intern being claimed, if
77 applicable, and any other such information that the
78 department deems necessary. The department of economic
79 development shall prescribe the method for claiming the tax
80 credits allowed in this section and shall certify to the
81 department of revenue each applicant that qualifies for a
82 tax credit under this section.

83 9. The department of economic development shall
84 prepare an annual report containing statistical information
85 regarding the tax credits issued under this section for the
86 previous tax year, including the total amount of tax credits
87 claimed in the tax year, the average number of tax credits
88 claimed per taxpayer, the total number of interns claimed,
89 the total number of apprentices claimed, and the total
90 amount expended on the program.

91 10. The department of economic development shall
92 promulgate all necessary rules and regulations for the
93 administration of this section. Any rule or portion of a
94 rule, as that term is defined in section 536.010, that is
95 created under the authority delegated in this section shall
96 become effective only if it complies with and is subject to
97 all of the provisions of chapter 536 and, if applicable,
98 section 536.028. This section and chapter 536 are
99 nonseverable and if any of the powers vested with the
100 general assembly pursuant to chapter 536 to review, to delay
101 the effective date, or to disapprove and annul a rule are
102 subsequently held unconstitutional, then the grant of
103 rulemaking authority and any rule proposed or adopted after
104 August 28, 2023, shall be invalid and void.

105 11. Under section 23.253 of the Missouri sunset act:

106 (1) The provisions of the new program authorized under
107 this section shall automatically sunset December thirty-
108 first six years after the effective date of this section
109 unless reauthorized by an act of the general assembly;

110 (2) If such program is reauthorized, the program
111 authorized under this section shall automatically sunset
112 December thirty-first twelve years after the effective date
113 of the reauthorization of this section;

114 (3) This section shall terminate on September first of
115 the calendar year immediately following the calendar year in
116 which the program authorized under this section is sunset;

117 (4) The provisions of this subsection shall not be
118 construed to limit or in any way impair the department of
119 revenue's ability to redeem tax credits authorized on or
120 before the date the program authorized pursuant to this
121 section expires, or a taxpayer's ability to redeem such tax
122 credits.

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